INTERMOUNTAIN POWER SERVICE CORPORATION

August 17, 2004

Mr. Richard Sprott, Director Utah Division of Air Quality P.O. Box 144820 Salt Lake City, UT 84114-4820

Dear Mr. Sprott:

Deviation from Intermountain Power Service Corporation's (IPSC's) Title V Operating Permit #2700010002 Requirements

As you are aware, IPSC has the above referenced Title V Operating Permit (permit). One of the requirements in Section I.S.2.c of this permit is to promptly notify (defined as 14 days) the Executive Secretary of any deviations from permit requirements. This letter is to notify you that IPSC has discovered that a possible deviation has occurred and to serve as a deviation report.

On August 7, 2004, Unit One tripped and had excess emissions lasting more than 2 hours from startup. IPSC's Operating Permit Condition II.B.2.e.3(b) requires IPSC to submit notifications and reports of excess emissions to the Executive Secretary as required by the Utah Air Quality Rules. These rules require excess emissions for any period longer than 2 hours to be reported within 18 hours of the start of the excess emissions, and to submit a written report within 7 calendar days. The initial notification was made by IPSC in a timely basis. The written report was prepared within the 7 days, but did not get mailed until August 16, 2004, due in part to the weekend. The written report was mailed on Monday, August 16, 2004 when it was discovered that it hadn't yet been mailed.

Certain steps have been taken to insure that this will not be repeated, including holding specific training sessions with the personnel involved in tracking the progress of the written report. Procedures have been put in place to better track and expedite the preparation, review, signatures, and mailing of the excess emission reports to insure that they will be submitted within the 7 calendar days.

If you have any questions regarding this, please contact Mr. Dennis Killian of my staff at 435-864-6401.

I certify that, based on information and belief formed after reasonable inquiry, the statements and information in this document are true, accurate, and complete.

Sincerely,

President & Chief Operations Officer and Responsible Official

HBI/BP:jmj

CC:

Eric Tharp Jim Holtkamp